

**ELLINWOOD UNIFIED SCHOOL
DISTRICT No. 355
ELLINWOOD, KANSAS**
Financial Statements
With Independent Auditors' Report
For the Year Ended June 30, 2008

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants
Great Bend, Kansas

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Financial Statements
With Independent Auditors' Report
For the Year Ended June 30, 2008

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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Ellinwood Unified School District No. 355
Ellinwood, KS 67526

We have audited the accompanying financial statements of **Ellinwood Unified School District No. 355, Ellinwood, Kansas**, as of and for the year ended June 30, 2008, which collectively comprise the District's financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with the Kansas Municipal Audit Guide and with auditing standards generally accepted in the United States of America. Those standards and the audit guide require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1-C, **Ellinwood Unified School District No. 355, Ellinwood, Kansas**, has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter described in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Ellinwood Unified School District No. 355, Ellinwood, Kansas**, as of June 30, 2008, or changes in financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the **Ellinwood Unified School District No. 355, Ellinwood, Kansas**, as of June 30, 2008, their respective cash receipts and disbursements, and budgetary results for the year ended, on the basis of accounting described in Note 1-C.

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

November 3, 2008

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Summary of Cash Receipts, Expenditures, and Unencumbered Cash (Statutory Basis)
For the Year Ended June 30, 2008

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories -							
General Funds:							
General Fund	\$ (278,367)	166	3,712,612	3,672,100	(237,689)	-	(237,689)
Supplemental General Fund	16,257	5,150	912,685	900,000	34,092	6,535	40,627
Special Revenue Funds:							
Capital Outlay Fund	690,866	-	76,700	89,330	678,236	-	678,236
Vocational Education Fund	-	-	173,882	173,882	-	-	-
Special Education Fund	204,557	-	615,028	614,521	205,064	-	205,064
Food Service Fund	28,295	52	219,287	213,805	33,829	-	33,829
Driver Training Fund	41,597	-	7,844	7,923	41,518	-	41,518
KPERS Retirement Contributions Fund	-	-	201,176	201,176	-	-	-
Professional Development Fund	151	188	57,109	56,901	547	-	547
Summer School Fund	11,389	-	-	1,203	10,186	-	10,186
Contingency Fund	178,854	-	-	32,008	146,846	-	146,846
Textbook Rental Fund	10,422	1,067	28,006	1,119	38,376	-	38,376
Title I Fund	-	-	58,035	58,129	(94)	1,039	945
At Risk Fund (K-12)	-	-	209,957	209,957	-	-	-
Grants Fund	-	-	67,505	67,163	342	-	342
District Activity Funds	11,944	-	81,816	83,656	10,104	-	10,104
Debt Service Fund:							
Bond and Interest Fund	612,661	-	490,045	534,688	568,018	-	568,018
Total Reporting Entity (Excluding Agency Funds)	\$ 1,528,626	6,623	6,911,687	6,917,561	1,529,375	7,574	1,536,949
Composition of Cash:							
Demand Deposits							\$ 12,650
Time & Savings Accounts							1,564,724
Total Cash							1,577,374
Agency Funds per Statement 4							(40,425)
Total Reporting Entity (Excluding Agency Funds)							\$ 1,536,949

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS

Summary of Expenditures - Actual and Budget (Statutory Basis)
 For the Year Ended June 30, 2008

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
Governmental Fund Categories -						
General Funds:						
General Fund	\$ 3,823,751	(230,073)	78,516	3,672,194	3,672,100	94
Supplemental General Fund	900,000	-	-	900,000	900,000	-
Special Revenue Funds:						
Capital Outlay Fund	180,000	-	-	180,000	89,330	90,670
Vocational Education Fund	230,813	-	-	230,813	173,882	56,931
Special Education Fund	654,570	-	-	654,570	614,521	40,049
Food Service Fund	223,210	-	-	223,210	213,805	9,405
Driver Training Fund	9,624	-	-	9,624	7,923	1,701
KPERS Retirement Contributions Fund	228,152	-	-	228,152	201,176	26,976
Professional Development Fund	57,204	-	-	57,204	56,901	303
Summer School Fund	5,344	-	-	5,344	1,203	4,141
At Risk Fund (K-12)	214,300	-	-	214,300	209,957	4,343
Debt Service Fund:						
Bond and Interest Fund	534,688	-	-	534,688	534,688	-

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

		Current Year		Variance
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue-				
Ad Valorem Tax	\$ 486,608	499,400	459,812	39,588
Delinquent Tax	9,066	14,870	7,753	7,117
Mineral Severance Tax	20,179	28,992	55,000	(26,008)
Intergovernmental Revenue-				
State Special Education	369,414	437,335	445,676	(8,341)
Equalization Aid	2,810,494	2,653,499	2,821,256	(167,757)
Reimbursed Expenses	31,215	78,516	-	78,516
Total Cash Receipts	<u>3,726,976</u>	<u>3,712,612</u>	<u>3,789,497</u>	<u>(76,885)</u>
Expenditures:				
Instruction	1,579,910	1,753,919	1,838,814	84,895
Student Support Services	32,469	32,085	29,030	(3,055)
Instructional Support Staff	10,943	5,580	9,800	4,220
General Administration	244,513	207,950	238,003	30,053
School Administration	285,803	255,306	260,630	5,324
Operations and Maintenance	445,302	340,355	482,209	141,854
Student Transportation	122,158	137,655	139,247	1,592
Community Service Operations	114,527	119,379	167,718	48,339
Operating Transfers Out	849,417	819,871	658,300	(161,571)
Adjustment to Comply with Legal Max	-	-	(230,073)	(230,073)
Legal General Fund Budget	<u>3,685,042</u>	<u>3,672,100</u>	<u>3,593,678</u>	<u>(78,422)</u>
Adjustment for Qualifying Budget Credits	-	-	78,516	78,516
Total Expenditures	<u>3,685,042</u>	<u>3,672,100</u>	<u>3,672,194</u>	<u>94</u>
Receipts Over (Under) Expenditures	41,934	40,512		
Unencumbered Cash, July 1	(320,359)	(278,367)		
Prior Year Cancelled Encumbrances	<u>58</u>	<u>166</u>		
Unencumbered Cash, June 30	<u>\$ (278,367)</u>	<u>(237,689)</u>		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Supplemental General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

		Current Year		Variance
	Prior Year	Actual	Budget	Favorable
	Actual			(Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue-				
Ad Valorem Tax	\$ 554,971	554,209	538,119	16,090
Delinquent Tax	8,470	15,150	8,930	6,220
Motor Vehicle Tax	42,304	52,027	34,438	17,589
Recreational Vehicle Tax	774	977	1,179	(202)
Intergovernmental Revenue-				
Equalization Aid	373,447	290,322	280,530	9,792
Total Cash Receipts	979,966	912,685	863,196	49,489
Expenditures:				
Instruction	365,589	215,030	237,500	22,470
Instructional Support Staff	345	-	50,000	50,000
General Administration	13,293	7,190	15,000	7,810
School Administration	3,077	5,849	-	(5,849)
Operations and Maintenance	153,165	359,344	130,000	(229,344)
Student Transportation	494	625	-	(625)
Building Repair and Remodel	-	2,399	-	(2,399)
Operating Transfers Out	417,477	309,563	467,500	157,937
Total Expenditures	953,440	900,000	900,000	-
Receipts Over (Under) Expenditures	26,526	12,685		
Unencumbered Cash, July 1	(10,269)	16,257		
Prior Year Cancelled Encumbrances	-	5,150		
Unencumbered Cash, June 30	\$ 16,257	34,092		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Capital Outlay Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue-				
Delinquent Tax	\$ -	36	-	36
Interest Earnings	67,261	73,664	45,000	28,664
Sales of Property	20,063	-	-	-
Lease Income	2,000	3,000	20,000	(17,000)
Operating Transfers In	50,000	-	40,000	(40,000)
Total Cash Receipts	139,324	76,700	105,000	(28,300)
Expenditures:				
Instruction	15,000	-	100,000	100,000
Student Transportation Services	96,400	76,989	80,000	3,011
Engineering	4,077	-	-	-
Facility Acquisition and Construction	41,466	12,341	-	(12,341)
Total Expenditures	156,943	89,330	180,000	90,670
Receipts Over (Under) Expenditures	(17,619)	(12,630)		
Unencumbered Cash, July 1	686,307	690,866		
Prior Year Cancelled Encumbrances	22,178	-		
Unencumbered Cash, June 30	\$ 690,866	678,236		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Vocational Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Operating Transfers In	\$ 172,146	173,882	150,000	23,882
Expenditures:				
Instruction	166,489	167,545	224,153	56,608
Operations and Maintenance	5,657	6,337	6,660	323
Total Expenditures	172,146	173,882	230,813	56,931
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Special Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Operating Transfers In	\$ 562,092	615,028	650,000	(34,972)
Expenditures:				
Instruction	520,975	584,125	625,000	40,875
Student Transportation Services	29,547	30,396	29,570	(826)
Total Expenditures	550,522	614,521	654,570	40,049
Receipts Over (Under) Expenditures	11,570	507		
Unencumbered Cash, July 1	192,987	204,557		
Unencumbered Cash, June 30	\$ 204,557	205,064		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Food Service Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)
For the Year Ended June 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Intergovernmental Revenue-				
State Aid	\$ 2,620	2,527	2,509	18
Federal Aid	106,066	97,710	99,061	(1,351)
Student Sales	60,797	60,428	61,476	(1,048)
Adult Sales	7,651	7,645	13,509	(5,864)
Other Income	1,261	977	1,000	(23)
Operating Transfers In	30,000	50,000	30,000	20,000
Total Cash Receipts	<u>208,395</u>	<u>219,287</u>	<u>207,555</u>	<u>11,732</u>
Expenditures:				
Food Service Operation	207,842	213,805	223,210	9,405
Receipts Over (Under) Expenditures	553	5,482		
Unencumbered Cash, July 1	27,742	28,295		
Prior Year Cancelled Encumbrances	-	52		
Unencumbered Cash, June 30	<u>\$ 28,295</u>	<u>33,829</u>		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Driver Training Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Intergovernmental Revenue-				
State Aid	\$ 3,666	4,290	4,860	(570)
Other Income	4,115	3,554	-	3,554
Reimbursements	964	-	-	-
Total Cash Receipts	<u>8,745</u>	<u>7,844</u>	<u>4,860</u>	<u>2,984</u>
Expenditures:				
Instruction	7,194	5,525	8,324	2,799
Operations and Maintenance	-	2,398	1,300	(1,098)
Total Expenditures	<u>7,194</u>	<u>7,923</u>	<u>9,624</u>	<u>1,701</u>
Receipts Over (Under) Expenditures	1,551	(79)		
Unencumbered Cash, July 1	<u>40,046</u>	<u>41,597</u>		
Unencumbered Cash, June 30	<u>\$ 41,597</u>	<u>41,518</u>		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

KPERS Retirement Contributions Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Intergovernmental Revenue- State Aid	\$ 182,532	201,176	228,152	(26,976)
Expenditures:				
Instruction	113,371	124,951	141,706	16,755
Student Support Services	7,730	8,519	9,661	1,142
Instructional Support Staff	10,263	11,311	12,828	1,517
General Administration	4,552	5,017	5,690	673
School Administration	24,553	27,062	30,690	3,628
Operations and Maintenance	1,586	12,058	1,982	(10,076)
Student Transportation Services	10,941	3,655	13,675	10,020
Student Activities	3,316	1,748	4,145	2,397
Food Service	6,220	6,855	7,775	920
Total Expenditures	182,532	201,176	228,152	26,976
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Professional Development Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Intergovernmental Revenue-				
State Aid	\$ 4,960	4,548	3,824	724
Operating Transfers In	38,109	52,561	60,000	(7,439)
Total Cash Receipts	43,069	57,109	63,824	(6,715)
Expenditures:				
Instruction	31,035	47,828	57,204	9,376
General Administration	6,263	8,011	-	(8,011)
School Administration	5,620	1,062	-	(1,062)
Total Expenditures	42,918	56,901	57,204	303
Receipts Over (Under) Expenditures	151	208		
Unencumbered Cash, July 1	-	151		
Prior Year Cancelled Encumbrances	-	188		
Unencumbered Cash, June 30	\$ 151	547		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Summer School Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Operating Transfers In	\$ 10,000	-	7,500	(7,500)
Expenditures:				
Instruction	2,065	1,203	5,344	4,141
Receipts Over (Under) Expenditures	7,935	(1,203)		
Unencumbered Cash, July 1	3,454	11,389		
Unencumbered Cash, June 30	\$ 11,389	10,186		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Contingency Fund

Statement of Cash Receipts and Expenditures - Actual (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year	Current Year
Cash Receipts:		
Operating Transfers In	\$ 40,000	-
Expenditures		
Equipment	-	32,008
Receipts Over (Under) Expenditures	40,000	(32,008)
Unencumbered Cash, July 1	138,854	178,854
Unencumbered Cash, June 30	\$ 178,854	146,846

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Textbook Rental Fund

Statement of Cash Receipts and Expenditures - Actual (Statutory Basis)
For the Year Ended June 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year	Current Year
Cash Receipts:		
Operating Transfers In	\$ 5,000	28,006
Expenditures:		
Textbook Purchases	12,354	1,119
Receipts Over (Under) Expenditures	(7,354)	26,887
Unencumbered Cash, July 1	17,776	10,422
Prior Year Cancelled Encumbrances	-	1,067
Unencumbered Cash, June 30	\$ 10,422	38,376

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS

Title I Fund

Statement of Cash Receipts and Expenditures - Actual (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year	Current Year
Cash Receipts:		
Intergovernmental Revenue-		
Federal Aid	\$ 60,734	58,035
Expenditures:		
Instruction	59,663	57,058
School Administration	1,071	1,071
Total Expenditures	60,734	58,129
Receipts Over (Under) Expenditures	-	(94)
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	(94)

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

At Risk Fund (K-12)

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year	Current Year		Variance Favorable (Unfavorable)
		Current Year	Budget	
Cash Receipts:				
Operating Transfers In	\$ 359,547	209,957	214,300	(4,343)
Expenditures:				
Instruction	359,547	209,957	214,300	4,343
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, July 1	-	-		
Unencumbered Cash, June 30	\$ -	-		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Grants Fund

Statement of Cash Receipts and Expenditures - Actual (Statutory Basis)
For the Year Ended June 30, 2008
(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

	Prior Year	Current Year
Cash Receipts:		
Intergovernmental Revenue-		
Federal Aid	\$ 57,289	56,474
State Aid	2,346	2,752
Embarq Grant	1,200	-
Other Income	966	8,279
Total Cash Receipts	61,801	67,505
Expenditures:		
Instruction	27,629	27,892
Student Support Services	891	940
Instructional Support Staff	1,149	1,544
General Administration	2,346	2,768
Other Supplemental Services	27,620	25,740
Operations and Maintenance	966	8,279
Embarq Expenses	1,200	-
Total Expenditures	61,801	67,163
Receipts Over (Under) Expenditures	-	342
Unencumbered Cash, July 1	-	-
Unencumbered Cash, June 30	\$ -	342

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Bond and Interest Fund

Statement of Cash Receipts and Expenditures - Actual and Budget (Statutory Basis)

For the Year Ended June 30, 2008

(With Comparative Actual Totals for the Prior Year Ended June 30, 2007)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue-				
Ad Valorem Tax	\$ 308,335	354,540	352,699	1,841
Delinquent Tax	6,019	9,092	4,859	4,233
Motor Vehicle Tax	52,914	40,125	26,205	13,920
Recreational Vehicle Tax	832	728	897	(169)
Intergovernmental Revenue-				
State Aid	130,644	85,560	85,550	10
Total Cash Receipts	<u>498,744</u>	<u>490,045</u>	<u>470,210</u>	<u>19,835</u>
Expenditures:				
Principal Payments	240,000	250,000	250,000	-
Interest Payments	304,288	284,688	284,688	-
Total Expenditures	<u>544,288</u>	<u>534,688</u>	<u>534,688</u>	<u>-</u>
Receipts Over (Under) Expenditures	(45,544)	(44,643)		
Unencumbered Cash, July 1	<u>658,205</u>	<u>612,661</u>		
Unencumbered Cash, June 30	<u>\$ 612,661</u>	<u>568,018</u>		

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Agency Funds

Summary of Cash Receipts and Cash Disbursements (Statutory Basis)

For the Year Ended June 30, 2008

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
High School -				
Cheer-Spirit Squad	\$ 356	15,712	15,777	291
High School Band	814	1,097	1,021	890
Band Fundraisers	8,206	9,382	9,320	8,268
Athletic Fundraisers	407	2,398	1,664	1,141
Big Al's Tourney	877	6,606	7,483	-
Computer Technology	229	603	204	628
EHS After-Prom Organization	-	5,211	2,447	2,764
FFA	8,670	13,303	13,883	8,090
Kayette Club	1,089	93	881	301
Mystic Blues	2,058	7,533	3,830	5,761
EHS Today	440	-	-	440
Stuco	844	16,798	15,406	2,236
Weightlifting Club	162	-	-	162
Vocational Agriculture	-	8,022	7,320	702
National Honor Society	261	-	20	241
International Club	1,970	437	723	1,684
Entrepreneurship	273	429	59	643
FCCLA	774	1,682	1,779	677
Fellowship of Christian Athletes	-	65	27	38
Drama Club	403	555	497	461
Class of 2007	486	-	486	-
Class of 2008	2,327	-	1,609	718
Class of 2009	-	15,467	12,410	3,057
Class of 2010	-	13	13	-
Class of 2011	-	603	529	74
Hope Tree Fund	248	90	90	248
Insurance Clearing Fund	-	41,789	40,879	910
Total Agency Funds	\$ 30,894	147,888	138,357	40,425

The notes to the financial statements are an integral part of this statement.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
District Activity Funds

Statement of Cash Receipts, Expenditures, and Unencumbered Cash (Statutory Basis)
For the Year Ended June 30, 2008

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Cash and Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Ellinwood High School:							
Gate Receipts	\$ 213	-	19,570	19,170	613	-	613
Athletics	1,791	-	14,273	15,533	531	-	531
Activity - Miscellaneous	391	-	4,698	4,240	849	-	849
Library	3,246	-	1,439	934	3,751	-	3,751
Music Equipment	1,191	-	421	405	1,207	-	1,207
Technology Fund	163	-	-	-	163	-	163
Shirts, etc.	404	-	9,114	9,517	1	-	1
Vending Machine	853	-	470	483	840	-	840
Driver's Ed	-	-	3,616	3,616	-	-	-
Eagle Exchange	196	-	2,997	2,932	261	-	261
Woodworking	950	-	2,787	2,364	1,373	-	1,373
Musical	2,546	-	3,687	5,718	515	-	515
Yearbook	-	-	12,483	12,483	-	-	-
Book Rental	-	-	6,261	6,261	-	-	-
Total District Activity Funds	\$ 11,944	-	81,816	83,656	10,104	-	10,104

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2008

1. Summary of Significant Accounting Policies:

The District has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented in order to conform to the statutory basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies:

A. Financial Reporting Entity

Ellinwood Unified School District No. 355, Ellinwood, Kansas, is a municipal corporation governed by an elected board. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding sources.

The financial statements of the District consist of all the funds of the District and governmental entities that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The District has no entities that are controlled or dependent on the District.

However, **Ellinwood Unified School District No. 355, Ellinwood, Kansas**, is not included in any other governmental "reporting entity" as defined by GASB No. 14 and amended by GASB No. 39, since board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

B. Basis of Presentation - Fund Accounting

The accounts of the government are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2008:

Governmental Fund Categories

General Fund - To account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - To account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Fund - To account for the accumulation of resources for, and the payment of interest and principal on long-term debt.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2008

1. Summary of Significant Accounting Policies (Continued):

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Fund

Agency Funds - To account for assets held by a governmental unit as trustee or agent for others.

The Student Activity Fund, an agency fund, accounts for the receipts and disbursements of monies from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

C. Basis of Accounting

Statutory Basis of Accounting - The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the statutory basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased.

Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America - The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

D. Accounting for Capital Assets and Depreciation

The District has not maintained a record of capital assets used in performance of general government operations as required by generally accepted accounting principles.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2008

1. Summary of Significant Accounting Policies (Continued):

E. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding fiscal year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds, and the following special revenue funds:

Contingency Fund
Textbook Rental Fund
Title I Fund
Grants Fund
District Activity Funds

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2008

1. Summary of Significant Accounting Policies (Continued):

F. Deposits and Investments

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the Summary of Cash Receipts, Cash Disbursements, and Unencumbered Cash.

The District had no investments as of June 30, 2008.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold District funds have a main or branch bank in the county in which the District is located or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk - State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 9-1405.

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2008.

Deposits - At year-end, the carrying amount of the District's deposits was \$1,577,374. The bank balance was \$1,781,958. Of the bank balance, \$200,000 was covered by FDIC insurance and \$1,581,958 was collateralized with securities held by the pledging institutions' agents in the District's name.

G. Property Tax Calendar

Property taxes are collected and remitted to the District by the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in December through June. Lien date(s) for personal property are March and August, and for real property, is September. Delinquent tax payments, received throughout the year, are recognized as revenue in the year received.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2008

1. Summary of Significant Accounting Policies (Continued):

H. Compensated Absences

Sick Leave - Policies regarding sick leave vary based upon the classification of the employee. Generally, employees are allowed from ten (10) to twelve (12) days per year, accumulative from forty-five (45) days to sixty (60) days. Days accumulated beyond the maximum accumulation are bought back at the end of the school year at rates from \$40 to \$50 per day. The District's total sick leave liability as of June 30, 2008 for certified and classified employees is approximately \$22,858.

Employees will be compensated for unused sick leave upon retirement from the District at the rates above. Based upon classification, the District may also purchase unused sick leave for terminations other than retirement. The District allows employees to voluntarily contribute a limited number of their sick leave days into a pool to be used by any member of the pool, subject to certain restrictions.

Personal Leave - Policies regarding personal leave vary based upon the classification of the employee. Generally, employees are allowed two (2) days per year, accumulative to seven (7) days. Classified employees may choose to redeem any or all days at \$40 per (8-hour) day. The District's total personal leave liability as of June 30, 2008 for certified and classified employees is approximately \$488.

Upon termination of employment, no sick or personal leave benefits will be paid out beyond the District's buy-back policy for classified or certified personnel. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, "Accounting for Compensated Absences", no liability is recorded for nonvesting accumulating rights to receive benefits.

Vacation Leave - The superintendent is allowed ten (10) days of vacation per year. The board secretary and the business manager are allowed fifteen (15) days per year. Other classified personnel with twelve (12) month contracts are allowed .8333 days per month of employment up to fourteen (14) years of service. For employees with fifteen (15) or more years of service, vacation days will be accrued at the rate of 1.25 days per month.

Classified employees are encouraged to use their vacation days before the end of the fiscal year, however, five (5) days of vacation are allowed to be carried over according to the classified handbook. The District's total vacation leave liability as of June 30, 2008 for certified and classified employees is approximately \$4,364.

I. Defined Benefit Pension Plan

Plan Description - Ellinwood Unified School District No. 355, Ellinwood, Kansas participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy - K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. Member-employee's contributions are withheld by their employer and paid to KPERs according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 7.37% of covered payroll for the fiscal year ending June 30, 2008. These contribution requirements are established by KPERs and are periodically revised. Kansas' contributions to KPERs for all Kansas public school employees for the years ending June 30, 2008, 2007, and 2006 were \$220,815,154, \$192,425,626 and \$159,728,918, respectively, equal to the required contributions for each year.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2008

1. Summary of Significant Accounting Policies (Continued):

J. Deferred Compensation Plan

The District sponsors a deferred compensation plan under the Internal Revenue Code Section 403(b). Permanent and part time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

K. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

L. Early Retirement Plan

Certified personnel employed during the 1996-1997 school year or prior are eligible to participate in the District's early retirement program if certain eligibility requirements are met. The employee must have completed 10 (ten) years of service with **Ellinwood Unified School District No. 355, Ellinwood, Kansas** and be eligible for KPERS retirement.

Eligibility commences on July 1 following the school year during which the 61st birthday occurs. It continues until any year between age 61 and age 65. Notification must be given to the District by April 1 in the year prior to the July 1 retirement date. Upon early retirement, the retiree will have a choice of either Plan A or Plan B to determine the amount of their early retirement benefit based on a percentage of their final base pay, and their health insurance benefit.

Plan A

<u>On or before</u>	<u>61</u>	<u>62</u>	<u>63</u>	<u>64</u>
1 st Year	8%	7%	5%	3%
2 nd Year	5%	5%	1%	0%
3 rd Year	2%	1%	0%	0%
4 th Year	0%	0%	0%	0%

Health insurance of \$1,800 per year for a maximum of 4 years.

Plan B

<u>On or before</u>	<u>61</u>	<u>62</u>	<u>63</u>	<u>64</u>
1 st Year	11%	10%	8%	6%
2 nd Year	8%	8%	4%	0%
3 rd Year	5%	4%	0%	0%
4 th Year	3%	0%	0%	0%

M. Reimbursements

The District records reimbursable expenditures (or expense) in the fund that makes the disbursement and records reimbursements as revenue to the fund.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2008

1. Summary of Significant Accounting Policies (Continued):

N. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrances accounting under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation is utilized in the governmental funds.

2. Transfers and Payments:

Transfers and payments within the reporting entity are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions, or maintaining debt service on a routine basis. Resources are accumulated in a fund to support and simplify the administration of various projects or programs.

The District's operating transfers for June 30, 2008 were as follows:

<u>From</u>	<u>To</u>	<u>Kansas Statutory Authority</u>	<u>Amount</u>
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 609,915
General Fund	At Risk Fund (K-12)	K.S.A. 76-6428	209,957
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	173,882
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	52,561
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	5,113
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	50,000
Supplemental General Fund	Textbook Rental Fund	K.S.A. 72-6433	28,006
Total			<u>\$ 1,129,434</u>

3. Operating Leases:

The District has entered into operating leases with Barton County Office Supply for copiers to be used within the District. The four leases are on a month by month basis. Therefore, there are no minimum future payments on these leases. The rent payments are made monthly as follows:

<u>Location</u>	<u>Cost per Copy</u>
(1) High School Office	.09
(1) Grade School Office	.09
(3) School Libraries	.09
(1) Superintendent's Office	.09

4. Use of Estimates in the Preparation of Financial Statements:

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the statutory basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

5. Litigation:

The District is party to various legal proceedings, which normally occur in governmental operations. These proceedings are not likely to have a material adverse impact on the affected funds of the District.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2008

6. Comparative Data:

Comparative data for the prior year has been presented in Statements 3 of the accompanying financial statements in order to provide an understanding of changes in the District's cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statements 1 and 2) has not been presented since their inclusion would make the statements unduly complex and difficult to read.

7. Risk Management - Claims and Judgments:

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other districts in the State to participate in the Kansas Association of School Boards (KASB), a public entity risk pool currently operating as a common risk management and insurance program for participating members. The District pays an annual premium to KASB for its workers' compensation insurance coverage. The agreement to participate provides that the KASB will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by KASB's Risk Management Services' Management.

The District continues to carry commercial insurance for all other risks of loss, including property, general liability, inland marine, crime, umbrella, linebacker, auto and fidelity bond coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. At June 30, 2008, the financial statements do not include liabilities for anticipated costs.

8. Related Party Transactions:

The District leased copiers and purchased miscellaneous office supplies from Barton Office Systems, Inc., which is owned by the spouse of a board member. For the fiscal year ending June 30, 2008, the District expended \$26,865 for lease payments and office supplies. The District also expended \$44,485 on fuel and repairs with Ellinwood Coop which is managed by a board member.

9. Grants and Shared Revenues:

The District participates in numerous state and federal grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement which may arise as the result of these audits is not believed to be material.

10. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, are recorded as expenditures during the year of purchase as required by state statutes.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
June 30, 2008

11. Stewardship, Compliance and Accountability:

The District shows negative unencumbered cash balance in the General Fund in the amount of \$237,689 on a cash basis. However after adding the late state aid payment by the State of Kansas, under K.S.A. 10-1116a(b) the District only shows a negative unencumbered cash balance of \$2,431 as of June 30, 2008. This is a violation of K.S.A.10-1113.

12. Prior Years' Debt Defeasement:

In 2005, the District defeased a portion of the General Obligation School Improvement Bond Series 2000 bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase qualified securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the District's financial statements. Those bonds will be called for redemption and payment on September 1, 2010.

As of June 30, 2008, the amount of defeased debt outstanding but removed as a liability from the financial statements aggregated \$4,245,000 represented in full by General Obligation School Improvement Bond Series 2000 bonds.

13. Long-Term Debt:

Changes in long-term debt for the District at June 30, 2008 and current maturities of long term debt and interest for the next five years and in five year increments are included on the next two pages.

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS

Notes to Financial Statements
For the Year Ended June 30, 2008

13. Long-Term Debt (Continued):

Changes in long-term liabilities for the year ended June 30, 2008 were as follows:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:										
Building Bonds 2000	5.3%-8.0%	06/01/00	\$ 6,188,000	09/01/10	\$ 1,090,000	-	(250,000)	(250,000)	840,000	284,688
Refunding Bonds 2005	3.4%-4.3%	08/01/05	4,245,000	09/01/20	4,245,000	-	-	-	4,245,000	-
Total Contractual Indebtedness			10,433,000		5,335,000	-	(250,000)	(250,000)	5,085,000	284,688
Compensated Absences	N/A	N/A	N/A	N/A	-	27,710	-	27,710	27,710	-
Total Long-Term Debt			\$ 10,433,000		\$ 5,335,000	27,710	(250,000)	(222,290)	5,112,710	284,688

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355
ELLINWOOD, KANSAS
Notes to Financial Statements
For the Year Ended June 30, 2008

13. Long-Term Debt (Continued):

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	2009	2010	2011	2012	2013	2014-2018	2019-2021	Total
Principal:								
General Obligation Bonds -								
Building Bonds 2000	\$ 265,000	280,000	295,000	-	-	-	-	840,000
Refunding Bonds 2005	-	-	-	355,000	370,000	2,060,000	1,460,000	4,245,000
Total Principal Payments	265,000	280,000	295,000	355,000	370,000	2,060,000	1,460,000	5,085,000
Interest:								
General Obligation Bonds -								
Building Bonds 2000	264,088	244,808	118,063	-	-	-	-	626,959
Refunding Bonds 2005	-	-	-	164,805	152,735	551,905	125,155	994,600
Total Interest Payments	264,088	244,808	118,063	164,805	152,735	551,905	125,155	1,621,559
Total Principal and Interest Payments	\$ 529,088	524,808	413,063	519,805	522,735	2,611,905	1,585,155	6,706,559

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Notes to Financial Statements

June 30, 2008

14. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d):

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the District to record any payment of general state aid that is due to be paid during the month of June and is paid to the District after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by the Statutes.

<p align="center">General Fund Statutory Revenues and Expenditures - Statutory and Budget For the Year Ended June 30, 2008</p>			
	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues:			
Taxes and Shared Revenue-			
Ad Valorem Tax	\$ 499,400	459,812	39,588
Delinquent Tax	14,870	7,753	7,117
Mineral Severance Tax	28,992	55,000	(26,008)
Intergovernmental Revenue-			
State Special Education	437,335	445,676	(8,341)
Equalization Aid	2,613,081	2,821,256	(208,175)
Reimbursed Expenses	<u>78,516</u>	<u>-</u>	<u>78,516</u>
Total Statutory Revenues	<u>3,672,194</u>	<u>3,789,497</u>	<u>(117,303)</u>
Expenditures:			
Instruction	1,753,919	1,838,814	84,895
Student Support Services	32,085	29,030	(3,055)
Instructional Support Staff	5,580	9,800	4,220
General Administration	207,950	238,003	30,053
School Administration	255,306	260,630	5,324
Operations and Maintenance	340,355	482,209	141,854
Student Transportation	137,655	139,247	1,592
Community Service Operations	119,379	167,718	48,339
Operating Transfers Out	819,871	658,300	(161,571)
Adjustment to Comply with Legal Max	-	(230,073)	(230,073)
Legal General Fund Budget	<u>3,672,100</u>	<u>3,593,678</u>	<u>(78,422)</u>
Adjustment for Qualifying Budget Credits	<u>-</u>	<u>78,516</u>	<u>78,516</u>
Total Expenditures	<u>3,672,100</u>	<u>3,672,194</u>	<u>94</u>
Statutory Revenues Over (Under) Expenditures	94		
Modified Unencumbered Cash, July 1	(2,691)		
Prior Year Cancelled Encumbrances	<u>166</u>		
Modified Unencumbered Cash, June 30	<u>\$ (2,431)</u>		

ELLINWOOD UNIFIED SCHOOL DISTRICT NO. 355

ELLINWOOD, KANSAS

Notes to Financial Statements

June 30, 2008

14. Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (Continued):

**Supplemental General Fund
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2008**

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues:			
Taxes and Shared Revenue-			
Ad Valorem Tax	\$ 554,209	538,119	16,090
Delinquent Tax	15,150	8,930	6,220
Motor Vehicle Tax	52,027	34,438	17,589
Recreational Vehicle Tax	977	1,179	(202)
Intergovernmental Revenue-			
Equalization Aid	280,530	280,530	-
Total Statutory Revenues	902,893	863,196	39,697
Expenditures:			
Instruction	215,030	237,500	22,470
Instructional Support Staff	-	50,000	50,000
General Administration	7,190	15,000	7,810
School Administration	5,849	-	(5,849)
Operations and Maintenance	359,344	130,000	(229,344)
Student Transportation	625	-	(625)
Building Repair and Remodel	2,399	-	(2,399)
Operating Transfers Out	309,563	467,500	157,937
Total Expenditures	900,000	900,000	-
Statutory Revenues Over (Under) Expenditures	2,893		
Modified Unencumbered Cash, July 1	45,686		
Prior Year Cancelled Encumbrances	5,150		
Modified Unencumbered Cash, June 30	\$ 53,729		